{deleted text} shows text that was in SB0174S01 but was deleted in SB0174S03.

Inserted text shows text that was not in SB0174S01 but was inserted into SB0174S03.

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Senator Wayne A. Harper proposes the following substitute bill:

PUBLIC TRANSIT AND TRANSPORTATION GOVERNANCE AMENDMENTS

2017 GENERAL SESSION STATE OF UTAH

Chief Sponsor: Wayne A. Harper

House Sponsor: \(\) Mike Schultz

LONG TITLE

General Description:

This bill amends the governance of certain public transit districts, restricts powers of some public transit districts, and creates a task force.

Highlighted Provisions:

This bill:

- modifies the makeup of the board of trustees for a public transit district that serves a population over 200,000 people;
- amends provisions relating to the authority of a public service district that serves a population over 200,000 people to develop transit oriented developments;
 - requires a public transit district that serves a population over 200,000 people to have

a citizens' advisory board, an office of constituent services, and an office of coordinated mobility;

- creates the {Transit and }Transportation Governance and Funding Task Force;
- provides an automatic repeal date for the task force; and
- makes technical changes.

Money Appropriated in this Bill:

None

Other Special Clauses:

None

Utah Code Sections Affected:

AMENDS:

17B-2a-804, as last amended by Laws of Utah 2016, Chapter 387

17B-2a-807, as last amended by Laws of Utah 2016, Chapter 205

† 63I-2-272, as last amended by Laws of Utah 2016, Fourth Special Session, Chapter 2

72-1-303, as last amended by Laws of Utah 2011, Chapter 256

ENACTS:

17B-2a-826, Utah Code Annotated 1953

72-14-101, Utah Code Annotated 1953

REPEALS AND REENACTS:

17B-2a-807.5, as enacted by Laws of Utah 2009, Chapter 364

Be it enacted by the Legislature of the state of Utah:

Section 1. Section 17B-2a-804 is amended to read:

17B-2a-804. Additional public transit district powers.

- (1) In addition to the powers conferred on a public transit district under Section 17B-1-103, a public transit district may:
- (a) provide a public transit system for the transportation of passengers and their incidental baggage;
- (b) notwithstanding Subsection 17B-1-103(2)(g) and subject to Section 17B-2a-817, levy and collect property taxes only for the purpose of paying:
 - (i) principal and interest of bonded indebtedness of the public transit district; or

- (ii) a final judgment against the public transit district if:
- (A) the amount of the judgment exceeds the amount of any collectable insurance or indemnity policy; and
 - (B) the district is required by a final court order to levy a tax to pay the judgment;
 - (c) insure against:
- (i) loss of revenues from damage to or destruction of some or all of a public transit system from any cause;
 - (ii) public liability;
 - (iii) property damage; or
 - (iv) any other type of event, act, or omission;
 - (d) acquire, contract for, lease, construct, own, operate, control, or use:
- (i) a right-of-way, rail line, monorail, bus line, station, platform, switchyard, terminal, parking lot, or any other facility necessary or convenient for public transit service; or
 - (ii) any structure necessary for access by persons and vehicles;
- (e) (i) hire, lease, or contract for the supplying or management of a facility, operation, equipment, service, employee, or management staff of an operator; and
- (ii) provide for a sublease or subcontract by the operator upon terms that are in the public interest;
 - (f) operate feeder bus lines and other feeder or ridesharing services as necessary;
- (g) accept a grant, contribution, or loan, directly through the sale of securities or equipment trust certificates or otherwise, from the United States, or from a department, instrumentality, or agency of the United States;
- (h) study and plan transit facilities in accordance with any legislation passed by Congress;
- (i) cooperate with and enter into an agreement with the state or an agency of the state or otherwise contract to finance to establish transit facilities and equipment or to study or plan transit facilities;
- (j) issue bonds as provided in and subject to Chapter 1, Part 11, Local District Bonds, to carry out the purposes of the district;
- (k) from bond proceeds or any other available funds, reimburse the state or an agency of the state for an advance or contribution from the state or state agency;

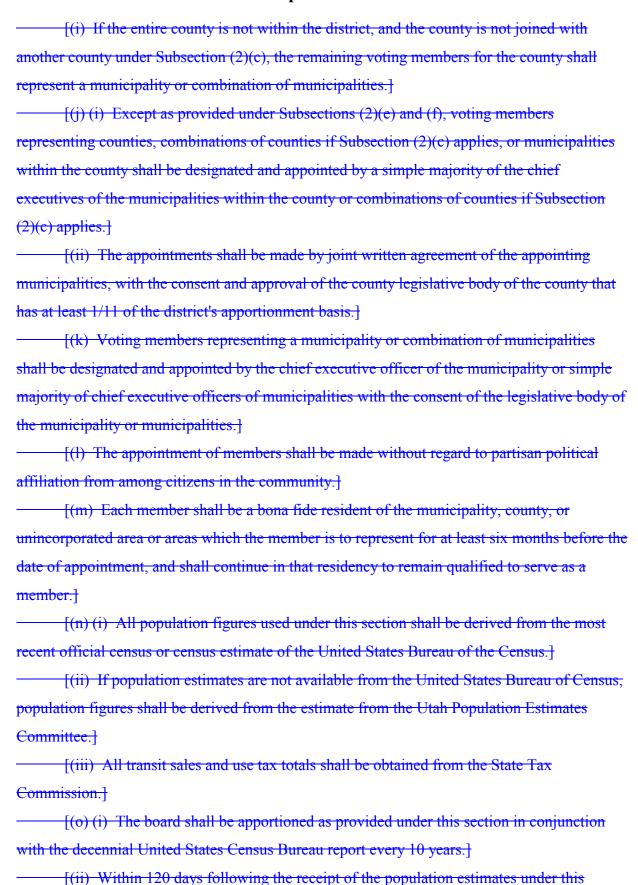
- (l) do anything necessary to avail itself of any aid, assistance, or cooperation available under federal law, including complying with labor standards and making arrangements for employees required by the United States or a department, instrumentality, or agency of the United States;
 - (m) sell or lease property;
- (n) <u>except as provided in Subsection (2)(b)</u>, assist in or operate transit-oriented or transit-supportive developments;
- (o) establish, finance, participate as a limited partner or member in a development with limited liabilities in accordance with Subsection (1)(p), construct, improve, maintain, or operate transit facilities, equipment, and, in accordance with Subsection (3), transit-oriented developments or transit-supportive developments; and
- (p) subject to the [restriction in Subsection] restrictions and requirements in Subsections (2) and (3), assist in a transit-oriented development or a transit-supportive development in connection with economic development or community development as defined in Section 17C-1-102 by:
 - (i) investing in a project as a limited partner or a member, with limited liabilities; or
- (ii) subordinating an ownership interest in real property owned by the public transit district.
- (2) (a) A public transit district may only assist in the development of areas under Subsection (1)(p):
 - (i) in the manner described in Subsection (1)(p)(i) or (ii); and
- (ii) on no more than eight transit-oriented developments or transit-supportive developments selected by the board of trustees.
- (b) A public transit district may not engage in, assist, or develop transit-oriented developments or transit-supportive developments in addition to the eight developments described in Subsection (2)(a).
- {[}(b){](c)} A public transit district may not invest in a transit-oriented development or transit-supportive development as a limited partner or other limited liability entity under the provisions of Subsection (1)(p)(i), unless the partners, developer, or other investor in the entity, makes an equity contribution equal to no less than 25% of the appraised value of the property to be contributed by the public transit district.

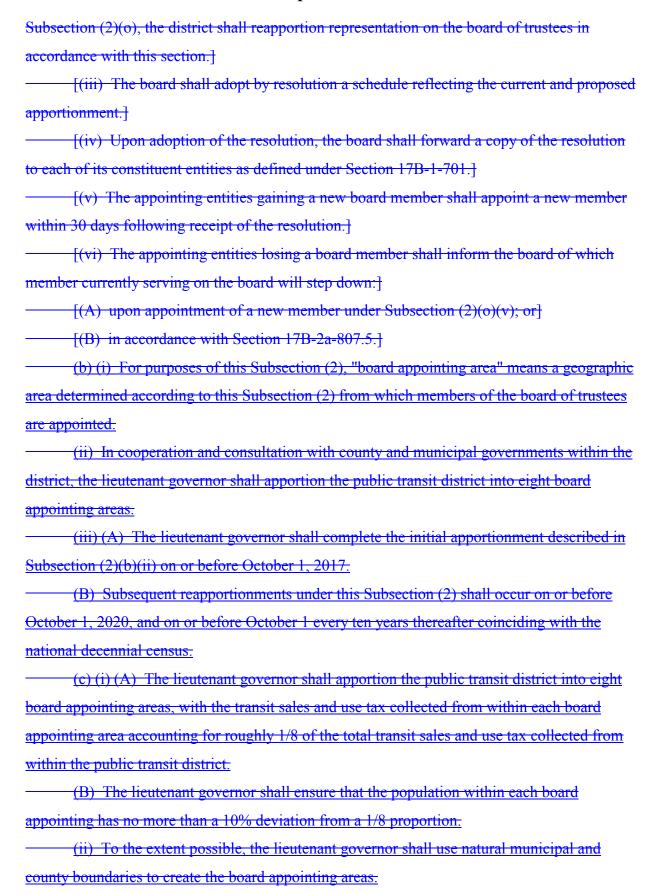
- {{}}(c){{}}(d)} (i) For transit-oriented development projects, a public transit district shall adopt transit-oriented development policies and guidelines that include provisions on affordable housing.
- (ii) For transit-supportive development projects, a public transit district shall work with the metropolitan planning organization and city and county governments where the project is located to collaboratively seek to create joint plans for the areas within one-half mile of transit stations, including plans for affordable housing.
- {{}}(d){{}}(e)} A current board member of a public transit district to which the board member is appointed may not have any interest in the transactions engaged in by the public transit district pursuant to Subsection (1)(p)(i) or (ii), except as may be required by the board member's fiduciary duty as a board member.
- (3) For any transit-oriented development or transit-supportive development authorized in this section, the public transit district shall:
- (a) perform a cost-benefit analysis of the monetary investment and expenditures of the development, including effect on:
 - (i) service and ridership;
 - (ii) regional plans made by the metropolitan planning agency;
 - (iii) the local economy;
 - (iv) the environment and air quality;
 - (v) affordable housing; and
 - (vi) integration with other modes of transportation; and
- (b) provide evidence to the public of a quantifiable positive return on investment, including improvements to public transit service.
- [(3)] (4) A public transit district may be funded from any combination of federal, state, local, or private funds.
 - [(4)] (5) A public transit district may not acquire property by eminent domain.
 - Section 2. Section {17B-2a-807} <u>17B-2a-826</u> is {amended to read:
- 17B-2a-807. Public transit district board of trustees -- Appointment -Apportionment -- Qualifications -- Quorum -- Compensation -- Terms.
- (1) (a) If 200,000 people or fewer reside within the boundaries of a public transit district, the board of trustees shall consist of members appointed by the legislative bodies of

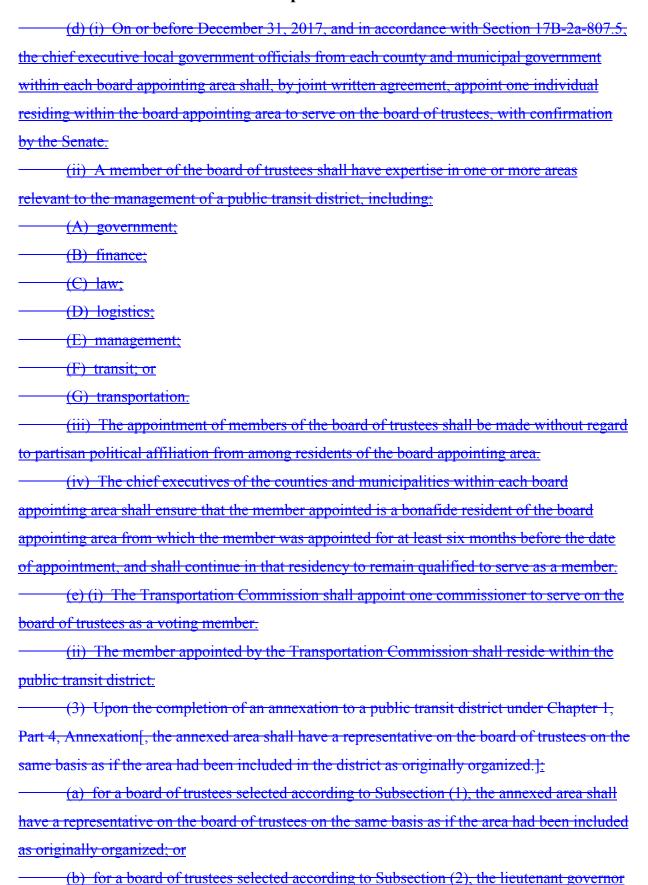
each municipality, county, or unincorporated area within any county on the basis of one member for each full unit of regularly scheduled passenger routes proposed to be served by the district in each municipality or unincorporated area within any county in the following calendar year. (b) For purposes of determining membership under Subsection (1)(a), the number of service miles comprising a unit shall be determined jointly by the legislative bodies of the municipalities or counties comprising the district. (c) The board of trustees of a public transit district under this Subsection (1) may include a member that is a commissioner on the Transportation Commission created in Section 72-1-301 and appointed as provided in Subsection (11), who shall serve as a nonvoting, ex officio member. (d) Members appointed under this Subsection (1) shall be appointed and added to the board or omitted from the board at the time scheduled routes are changed, or as municipalities, counties, or unincorporated areas of counties annex to or withdraw from the district using the same appointment procedures. (e) For purposes of appointing members under this Subsection (1), municipalities, counties, and unincorporated areas of counties in which regularly scheduled passenger routes proposed to be served by the district in the following calendar year is less than a full unit, as defined in Subsection (1)(b), may combine with any other similarly situated municipality or unincorporated area to form a whole unit and may appoint one member for each whole unit formed. (2) (a) [Subject to Section 17B-2a-807.5, if more than] If over 200,000 people reside within the boundaries of a public transit district, the board of trustees shall consist of [: (i) 11] nine members[: (A)] appointed as described under this Subsection (2)[;] or reappointed in accordance with Section 17B-2a-807.5. [(B) retained in accordance with Section 17B-2a-807.5;] f(ii) three members appointed as described in Subsection (4); f(iii) one voting member appointed as provided in Subsection (11); and (iv) one nonvoting member appointed as provided in Subsection (12). (b) Except as provided in Subsections (2)(c) and (d), the board shall apportion voting

members to each county within the district using an average of:

(i) the proportion of population included in the district and residing within each county, rounded to the nearest 1/11 of the total transit district population; and] (ii) the cumulative proportion of transit sales and use tax collected from areas included in the district and within each county, rounded to the nearest 1/11 of the total cumulative transit sales and use tax collected for the transit district.] (c) The board shall join an entire or partial county not apportioned a voting member under this Subsection (2) with an adjacent county for representation. The combined apportionment basis included in the district of both counties shall be used for the apportionment.] [(d) (i) If rounding to the nearest 1/11 of the total public transit district apportionment basis under Subsection (2)(b) results in an apportionment of more than 11 members, the county or combination of counties with the smallest additional fraction of a whole member proportion shall have one less member apportioned to it.] (ii) If rounding to the nearest 1/11 of the total public transit district apportionment basis under Subsection (2)(b) results in an apportionment of less than 11 members, the county or combination of counties with the largest additional fraction of a whole member proportion shall have one more member apportioned to it.] (e) If the population of a county is at least 750,000, the county executive, with the advice and consent of the county legislative body, shall appoint one voting member to represent the population of the county.] (f) If a municipality's population is at least 160,000, the chief municipal executive, with the advice and consent of the municipal legislative body, shall appoint one voting member to represent the population within a municipality.] (g) (i) The number of voting members appointed from a county and municipalities within a county under Subsections (2)(e) and (f) shall be subtracted from the county's total voting member apportionment under this Subsection (2). f(ii) Notwithstanding Subsections (2)(1) and (10), no more than one voting member appointed by an appointing entity may be a locally elected public official.] [(h) If the entire county is within the district, the remaining voting members for the county shall represent the county or combination of counties, if Subsection (2)(c) applies, or the municipalities within the county.]

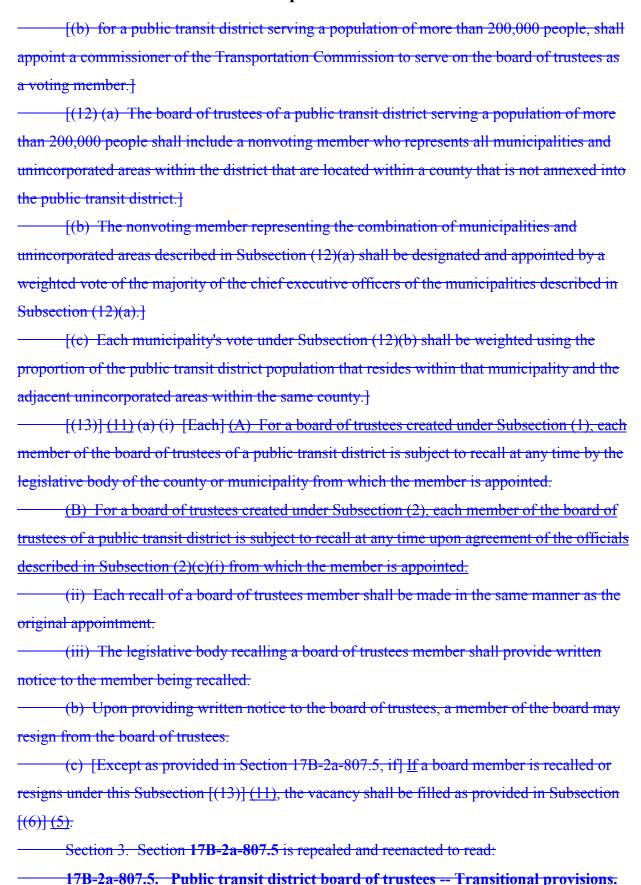






shall include the annexed area in updating and redrawing board appointing areas on the next scheduled reapportionment on the same basis as if the area had been included in the district as originally organized. [(4) In addition to the voting members appointed in accordance with Subsection (2), the board shall consist of three voting members appointed as follows: [(a) one member appointed by the speaker of the House of Representatives;] [(b) one member appointed by the president of the Senate; and] (c) one member appointed by the governor. [(5) Except as provided in Section 17B-2a-807.5, the terms of office of the members of the board shall be four years or until a successor is appointed, qualified, seated, and has taken the oath of office.] (4) Except as provided in Section 17B-2a-807.5: (a) the terms of office of the members of the board of trustees shall be four years or until a successor is appointed, qualified, seated, and has taken the oath of office; and (b) a member may serve for two terms on the board of trustees. [(6)] (5) (a) Vacancies for members shall be filled by the official or officials appointing the member creating the vacancy for the unexpired term, unless the official [fails] or officials fail to fill the vacancy within 90 days. (b) If the appointing official under Subsection (1) does not fill the vacancy within 90 days, the board of trustees of the authority shall fill the vacancy. (c) If the local government officials within the board appointing [official] area under Subsection (2) [does] do not fill the vacancy within 90 days, the governor, with the advice and consent of the Senate, shall fill the vacancy. [(7)] (6) (a) Each voting member may cast one vote on all questions, orders, resolutions, and ordinances coming before the board of trustees. (b) A majority of all voting members of the board of trustees are a quorum for the transaction of business. (c) The affirmative vote of a majority of all voting members present at any meeting at which a quorum was initially present shall be necessary and, except as otherwise provided, is sufficient to carry any order, resolution, ordinance, or proposition before the board of trustees. [(8)] (7) Each public transit district shall pay to each member:

(a) an attendance fee of [\$50] \$75 per board or committee meeting attended, not to exceed \$200 in any calendar month to any member; and (b) reasonable mileage and expenses necessarily incurred to attend board or committee meetings. [(9)] (8) (a) Members of the initial board of trustees shall convene at the time and place fixed by the chief executive officer of the entity initiating the proceedings. (b) (i) The board of trustees of a public transit district serving 200,000 people or fewer shall elect from its voting membership a chair, vice chair, and secretary. (ii) For a public transit district serving over 200,000 people, the governor, with confirmation by the Senate, shall appoint from the board of trustees a chair. (c) The members elected or appointed under Subsection [(9)] (8)(b) shall serve for a period of two years or until their successors shall be elected and qualified. (d) On or after January 1, 2011, a locally elected public official is not eligible to serve as the chair, vice chair, or secretary of the board of trustees created under Subsection (1). (10) (a) Except (9) (a) (i) For a public transit district serving a population of 200,000 people or fewer, except as otherwise authorized under [Subsections (2)(g) and (10)(b) and Section 17B-2a-807.5] Subsection (9)(a)(ii), at the time of a member's appointment or during a member's tenure in office, a member may not hold any employment, except as an independent contractor or locally elected public official, with a county or municipality within the district. [(b)] (ii) A member appointed by a county or municipality may hold employment with the county or municipality if the employment is disclosed in writing and the public transit district board of trustees ratifies the appointment. (b) For a public transit district serving a population over 200,000 people, the chief executive officers may appoint as a member of the board of trustees a locally elected public official from within the board appointing area. [(11) The] (10) For a public transit district serving a population of 200,000 people or fewer, the Transportation Commission created in Section 72-1-301[: (a) for a public transit district serving a population of 200,000 people or fewer, may appoint a commissioner of the Transportation Commission to serve on the board of trustees as a nonvoting, ex officio member[; and].



- (1) The lieutenant governor shall designate four board appointing areas for which the member appointed before December 31, 2017, shall serve only a two-year initial term.
- (2) A member of the board of trustees appointed before October 1, 2017, who has served less than two years may serve one additional term if reappointed after October 1, 2017, in accordance with Subsection 17B-2a-807(2).
 - Section 4. Section 17B-2a-826 is }enacted to read:
- <u>17B-2a-826.</u> Public transit district office of constituent services, citizens' advisory board, and office of coordinated mobility.
- (1) (a) The board of trustees of a public transit district serving a population over 200,000 people shall create and employ an office of constituent services.
- (b) The duties of the office of constituent services described in Subsection (1)(a) shall include:
- (i) establishing a central call number to hear and respond to complaints, requests, comments, concerns, and other communications from customers and citizens within the district;
- (ii) keeping a log of the complaints, comments, concerns and other communications from customers and citizens within the district; and
- (iii) reporting complaints, comments, concerns, and other communications to management and to the citizens' advisory board created in Subsection (2).
- (2) (a) A public transit district serving a population over 200,000 people shall create and oversee a citizens' advisory board.
- (b) (i) The board of trustees of the public transit district shall select up to 12 members for the public transit district citizens' advisory board with at least one member from each of the eight board appointing areas described in Subsection 17B-2a-807(2).
- (ii) The board of trustees shall ensure that each member of the citizens' advisory board regularly uses the public transit district services.
- (c) The public transit district citizens' advisory board shall meet as needed or quarterly in a meeting open to the public for comment, to discuss the service, operations, and any concerns with the public transit district operations and functionality.
- (d) The public transit district management shall meet at least quarterly with and consult with the citizens' advisory board and take into consideration the input of the citizens' advisory

board in managing and operating the public transit district.

- (3) (a) A public transit district serving a population over 200,000 people shall create and employ an office of coordinated mobility.
 - (b) The duties of the office of coordinated mobility shall include:
 - (i) establishing a central call number to facilitate human services transportation;
- (ii) coordinating all human services transportation needs within the public transit district;
- (iii) receiving requests and other communications regarding human services transportation;
- (iv) receiving requests and other communications regarding vans, buses, and other vehicles available for use from the public transit district to maximize the utility of and investment in those vehicles; and
 - (v) supporting local efforts in transportation and public transit funding.

Section $\{5\}$ 3. Section 63I-2-272 is amended to read:

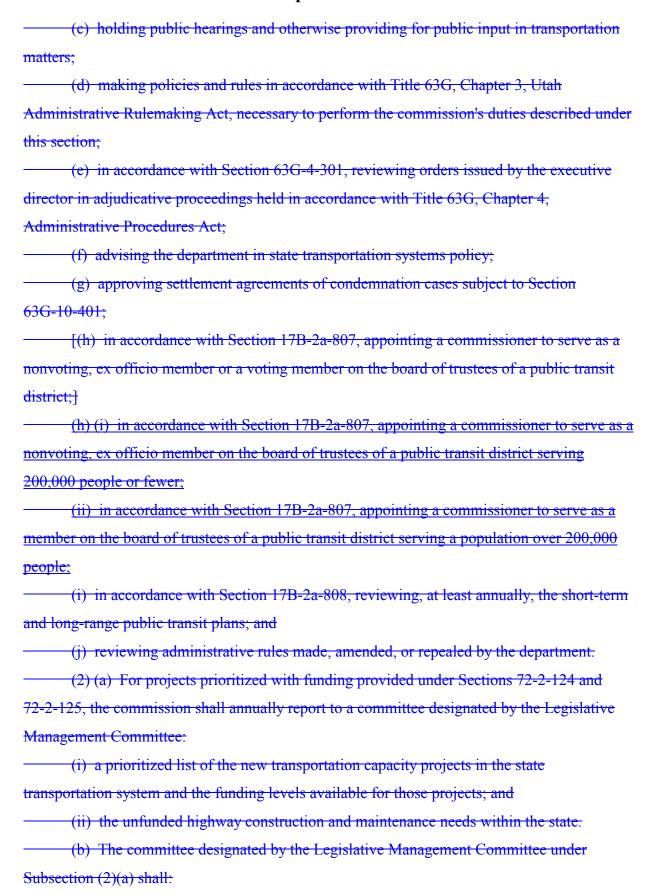
63I-2-272. Repeal dates -- Title **72.**

- (1) On July 1, 2018:
- (a) in Subsection 72-2-108(2), the language that states "and except as provided in Subsection (10)" is repealed;
- (b) in Subsection 72-2-108(4)(c)(ii)(A), the language that states ", excluding any amounts appropriated as additional support for class B and class C roads under Subsection (10)," is repealed; and
 - (c) Subsection 72-2-108(10) is repealed.
 - (2) Section 72-3-113 is repealed January 1, 2020.
 - (3) Section 72-14-101 is repealed on March 31, 2018.

Section $\{6\}$ 4. Section $\{72-1-303\}$ 72-14-101 is $\{$ amended to read:

72-1-303. Duties of commission.

- (1) The commission has the following duties:
- (a) determining priorities and funding levels of projects in the state transportation systems for each fiscal year based on project lists compiled by the department;
- (b) determining additions and deletions to state highways under Chapter 4, Designation of State Highways Act;



- (i) review the list reported by the Transportation Commission; and(ii) make a recommendation to the Legislature on:
 - (A) the amount of additional funding to allocate to transportation; and
- (B) the source of revenue for the additional funding allocation under Subsection (2)(b)(ii)(A).
- (3) The commission shall review and may approve plans for the construction of a highway facility over sovereign lakebed lands in accordance with Chapter 6, Part 3, Approval of Highway Facilities on Sovereign Lands Act.

Section 7. Section 72-14-101 is enacted to read:

enacted to read:

72-14-101. Creation of the {Transit and }Transportation Governance and Funding Task Force.

- (1) As used in this section \(\text{\frac{1}{2}}\):
- (a) "\{\task\}\Task\} force" means the \{\tau\}\Transportation Governance and \}\
 Funding Task Force created in Subsection (2).
 - (b) "Transportation" includes:
 - (i) state transportation systems as defined in Section 72-1-102;
 - (ii) public transit as defined in Section 17B-2a-802;
- (iii) active transportation, including walking, cycling, and other modes of human powered transportation; and
 - (iv) any other modes of transportation in this state.
- (2) There is created the {Transit and }Transportation Governance and Funding Task
 Force consisting of the following members:
 - (a) two members of the Senate appointed by the president of the Senate;
- (b) two members of the House of Representatives appointed by the speaker of the House of Representatives;
- (c) three members appointed by the governor, with at least one member representing the private sector;
 - (d) {two members} one member designated by the Transportation Commission;
- (e) {two members} one member designated by the board of trustees of any public transit district serving a population over 200,000 people;

- (f) {two members} one member designated by the Utah League of Cities and Towns; { and}
 - (g) two members designated by the Utah Association of Counties :
- (3) (a) The president of the Senate and the speaker of the House of Representatives shall jointly designate a member of the Legislature appointed under Subsection (2)(a) or (b) as a cochair of the task force.
 - (b) The governor, with one member representing a rural county;
- (h) one member who is the elected chair of the Mountainland Association of Governments; and
 - (i) one member who is the elected chair of the Wasatch Front Regional Council.
- (3) (a) The president of the Senate shall designate a member of the Senate appointed under Subsection (2)({e}a) as a cochair of the task force.
- (b) The speaker of the House of Representatives shall designate a member of the House of Representatives appointed under Subsection (2)(b) as a cochair of the task force.
- (4) (a) Salaries and expenses of the members of the task force who are legislators shall be paid in accordance with Section 36-2-2 and Legislative Joint Rules, Title 5, Chapter 2, Lodging, Meal, and Transportation Expenses, and Legislative Joint Rules, Title 5, Chapter 3, Legislator Compensation.
- (b) A member of the task force who is not a legislator may not receive compensation for the member's work associated with the task force, but may receive per diem and reimbursement for travel expenses incurred as a member of the task force at the rates established by the Division of Finance under Sections 63A-3-106 and 63A-3-107.
- (5) The {Governor's }Office of {Management} <u>Legislative Research</u> and {Budget} <u>General Counsel</u> shall provide staff support to the task force.
- (6) (a) A vacancy shall be filled by appointing a replacement member in the same manner as {described in Subsection (2) as } the member creating the vacancy was appointed under Subsection (2).
- (b) Each member of the task force shall serve until a successor is appointed and qualified.
 - (7) (a) A majority of the members of the task force constitutes a quorum.
 - (b) The action of a majority of a quorum constitutes the action of the task force.

- (8) The task force shall review, evaluate, study, prepare a report, and make recommendations on transportation and {public transit} related topics, including:
- (a) evaluation of statewide governance, configuration, and organization strategies to coordinate management and oversight of all forms of transportation in this state;
 - ({a}b) evaluation of and implementation of best practices in:
- (i) functionality, funding, and operations of transportation {and public transit } in this state and other states;
- (ii) governance, coordination, oversight, and operational structures {of public transit and all other forms }of transportation in this state and other states;
- (iii) meeting funding needs, including consideration of current state and local transportation {and transit } funding sources, and future projections; and
- (iv) evaluating the {costs and benefits} interrelationship of growth, land use, {and }capital development{ for public transit}, and transportation;
- (b) evaluation of existing sales and use tax funding for a public transit district and whether property tax should be part of the funding balance for a public transit district;
- (c) evaluation of alternative transportation {and transit } revenue mechanisms available or currently in use in this state and around the country {; and
- t, including an evaluation of:
 - (i) existing sales and use tax funding; and
- (ii) other funding sources, including taxes, fees, and user charges, as part of the transportation funding balance;
- (d) evaluation and study of best practices to meet multimodal mobility and safety needs in this state that support economic growth and quality of life ::
 - (e) impacts of transportation on economic development; and
 - (f) evaluation of best practices in prioritization of transportation projects.
- (9) The task force may designate and assign subgroups within the task force to address, study, evaluate, and discuss certain issues ; including:
- (a) improvement in governance and transparency of transportation agencies and districts; and
- (b) allocation of resources based on population, including consideration of previously underserved areas.

(10) The task force shall report the task force's findings and recommendations to the Transportation Interim Committee and the governor before December 1, 2017.